

# **EXHIBIT 24**

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
GROW NEW JERSEY ASSISTANCE PROGRAM**

**CONFIDENTIAL MEMORANDUM OF ANALYSIS**

December 9, 2014

Applicant:	Cooper Health System	P40148
Project Location:	1 Federal Street	Camden City
		Camden County
Eligible Employees (New):	19	
Eligible Employees (Retained):	353	
Term:	10 years	
Annual Grant Award (New):	\$ 204,250	
Annual Grant Award (Retained):	\$ 3,794,750	
Total Grow NJ Award:	\$ 39,990,000	

**BACKGROUND:**

The Cooper Health System is a leading provider of health services to Southern New Jersey and had been a vital institution in Camden for 137 years. Cooper provides a comprehensive network of services that include prevention and wellness, primary and specialty physician services, health care, ambulatory and diagnostic treatment services, currently serving more than a million patients a year. Cooper's main hospital campus is located on the Health Sciences Campus in Camden, New Jersey. Cooper University Health Care has more than 700 physicians in more than 75 specialties and 4,530 full-time employees. Cooper has also expanded its footprint in the city with the construction of a state-of-the-art medical tower, creation of a new medical school and efforts to rehabilitate nearby residential properties.

Cooper Health System is a prior recipient of Authority assistance including ERB grants and business lease incentive grants to assist Cooper in expanding its health care system. In addition in 2008, the Authority issued \$65 million in tax-exempt bonds to enable Cooper to expand the Emergency Department/Trauma Intensive Care Unit and \$15 million in new market tax credits for the construction of a new patient care pavilion on the Camden hospital campus.

**GRANT REQUEST:**

Cooper Health System is planning a consolidation of back-office operations from several locations in Cherry Hill and Mt. Laurel, NJ into one location in Camden; specifically 123,578 sq. ft. in the L3 building. Cooper expects to relocate 353 full-time jobs from its suburban offices into Camden and create an additional 19 new full-time jobs. The alternative is to relocate these jobs to Philadelphia, PA.

**MATERIAL FACTOR:**

The applicant has provided an economic analysis indicating that rental costs in Camden are higher than leasing comparable space in Philadelphia, PA,

Overall, when factoring in both the upfront and ongoing annual costs to operate the project, it is estimated that the New Jersey location would be \$555,154 more expensive over 10 years on a net present value basis. As a result, the company has applied for Grow NJ tax credits to offset these costs and make New Jersey more competitive. Management has indicated that the award is a material factor in the company's decision to locate the project in New Jersey. Furthermore, the Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations made therein are accurate.

**NET POSITIVE BENEFIT TO THE STATE:**

Staff employed the model that the Authority uses to determine the net benefit of a project to the State of New Jersey. Using the salary level of the employees and the estimated capital investment provided by the applicant, the model determined that the net benefit to the state is \$17 million over the 35 year period required by the Statute.

**FINANCIAL ABILITY TO UNDERTAKE THE PROJECT:**

The applicant submitted its financial statements audited by Ernst & Young LLP to demonstrate the financial ability to undertake the project. The statements show that on December 31, 2013 the applicant had \$96 million in cash and equity of \$469 million.

*In thousands, except ratios*

<b>Fiscal Period</b>	<b><u>December 31, 2012</u></b>	<b><u>December 31, 2013</u></b>
Total Revenues	823,033	874,925
Gross Profit	N/A	N/A
Operating Income (Loss)	12,393	20,119
Net Income (Loss)	23,209	39,304
Current Ratio	1.92	1.77
Net Worth	377,192	469,656 <sup>1</sup>
Total Liabilities to Worth	1.40	1.19
LT Liabilities to Total Capital	.51	.47

**Notes:**

1 – In addition to net income, the net worth was impacted by changes in income from investments and in unrestricted and restricted net assets.

**CONCLUSION:**

Through the materials provided, the applicant has demonstrated that:

- 1) The grant of tax credits is a material factor in the company's decision.
- 2) The jobs listed in the application are at risk of being located outside of New Jersey.
- 3) Locating the project in New Jersey would have a net positive benefit for the State.
- 4) The applicant has demonstrated the financial ability to undertake the project.

Prepared by Teresa Wells